

fast facts

Residential Population: 87,594
(Planning Dept.)

Workday Population: 125,000
(Real Estate & Dev. Dept.)

Businesses: 5,600 (Assessing Dept.)

Area: 34.3 square miles

Taxable Value: \$5.4 billion



community profile

Troy, Michigan is one of the most desirable locations to live, work, raise a family and run a business.

Council-Manager form of government

The Mayor and six members of the City Council are elected to staggered, four-year terms. The Council appoints a City Manager to oversee daily operations and administrative functions.

Service

Basic community services are the highest priority. These include police and fire protection, refuse collection, water and wastewater collection, street maintenance, public improvements, planning, zoning, and administrative services. Troy's quality of life is also enhanced by recreation and leisure facilities including the Troy Public Library, Troy Museum & Historic Village, Family Aquatic Center, Nature Center, Sylvan Glen and Sanctuary Lake Golf Courses, 860 acres of parkland, and the Community Center.

Education

Top-rated school systems reinforce Troy's community strength and property values. Troy School District (TSD) serves the majority of households with an enrollment of 12,192. Six other school districts also serve Troy citizens: Avondale, Birmingham, Bloomfield Hills, Lamphere, Royal Oak and Warren Consolidated. Higher education is available through local institutions like Cornerstone College, the Michigan State Management Education Center, University of Phoenix, Walsh College, and nearby Oakland Community College and Oakland University. Central Michigan University, Northwood Institute, Spring Arbor College and University of Michigan-Flint offer satellite courses in Troy.

Business Connections

Troy's corporate citizens span a full range of financial, retail, automotive, technology, hospitality, service and manufacturing industries.

- Troy Chamber of Commerce: 248.641.8151; www.troychamber.com
- Real Estate & Development Department: 248.524.3498; www.troymi.gov/red
- Automation Alley: 248.457.3200; www.automationalley.org
- Oakland County Planning & Economic Development: 248.858.0720; www.oakgov.com/peds

Demographics

Year	Population	# of Households	Median Household Buying Income	Median Age
1998	83,787	30,274	59,601	37.3
1999	84,549	30,434	60,004	*
2000	85,124	30,721	61,806	37.0
2001	86,959	30,872	65,642	38.1
2002	84,531	31,371	70,342	38.1
2003	84,841	31,504	65,625	38.1
2004	85,956	31,944	62,862	38.1
2005	86,740	32,281	64,630	38.0
2006	87,159	32,431	*	38.1
2007	87,594	32,596	*	41.7

*Information not available

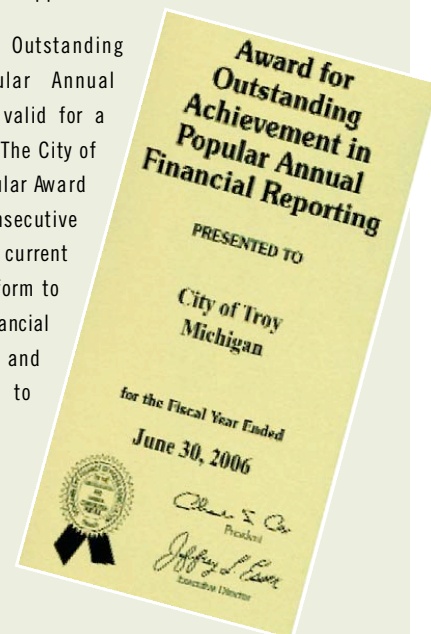
FIGURE 1

GFOA Award for Outstanding Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Troy for its Popular Annual Financial Report for the fiscal year ended June 30, 2006. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, the contents of which conform to program standards of creativity, presentation, ease of understanding and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Troy has received a Popular Award for the last eight consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.



city of troy economy

Troy's diversified business community, strong residential market and conservative financial management perpetuates a stable economy through regional and national market fluctuations. A wide range of industries in the business community, well maintained neighborhoods, excellent schools, and continued investment into roads and infrastructure all contribute to Troy's resilience.

With 87,594 residents and the workday population exceeding 125,000, people constitute a strong market for the retail and service industries in Troy. These factors keep the City's unemployment rate below Metro Detroit and State averages. See Figure 4 to compare unemployment rates.

The community's growth is further dramatized by the significant rising value in Troy's taxable valuation (TV). From 1995, the TV increased by 62% from \$3,425,410,880 to \$5,550,516,437 (see Figure 3). Within the State of Michigan, the City of Detroit is the only municipality with a higher taxable value than Troy.

State Assessed Value at \$6.4 billion represents approximately 50% of estimated current market value. Taxable Value is determined by the prior year's taxable value plus 5% or the consumer price index (whichever is less). Starting with the 1994 state equalized value as the base taxable value, the taxable value figure is multiplied by the tax rate to determine property tax revenue.

2007 Millage Rates

Community	Millage Rate	Rank (L=H)
Troy	9.2800	1
Rochester Hills	9.7060	2
Waterford Twp	10.2910	3
Novi	10.5416	4
Auburn Hills	10.5602	5
Royal Oak	11.4366	6
Farmington Hills	11.6072	7
Wixom	11.7364	8
Berkley	12.9732	9
Rochester	13.3304	10
Keego Harbor	13.3698	11
Birmingham	14.6214	12
Sylvan Lake	14.7474	13
South Lyon	15.0601	14
Farmington	16.0019	15
Southfield	16.3428	16
Northville	16.3597	17
Pontiac	17.0011	18
Clarkston	17.5398	19
Madison Heights	18.0412	20
Pleasant Ridge	18.1428	21
Clawson	18.4670	22
Huntington Woods	21.0988	23
Hazel Park	23.4884	24
Oak Park	23.7288	25

FIGURE 2



TAXABLE vs ASSESSED VALUE

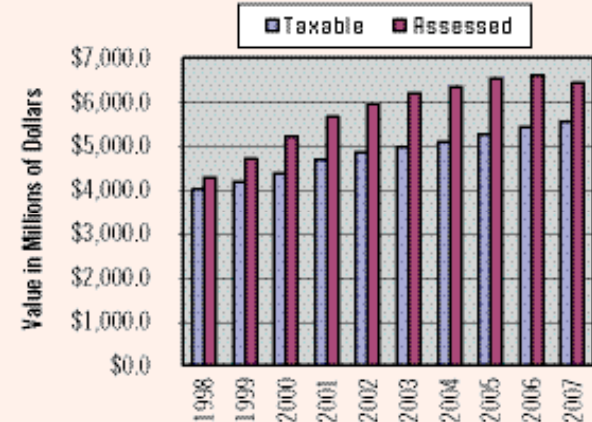


FIGURE 3

Unemployment Rates

Year	1990	2000	2007 (July)
Troy	3.5%	1.6%	4.8%
Metro Area*	7.6%	4.3%	7.9%
Michigan	7.6%	3.6%	7.5%
National	5.5%	4.0%	4.7%

*Metro Area includes Lapeer, Macomb, Monroe, Oakland, St. Clair and Wayne Counties.

FIGURE 4

Millage Rate

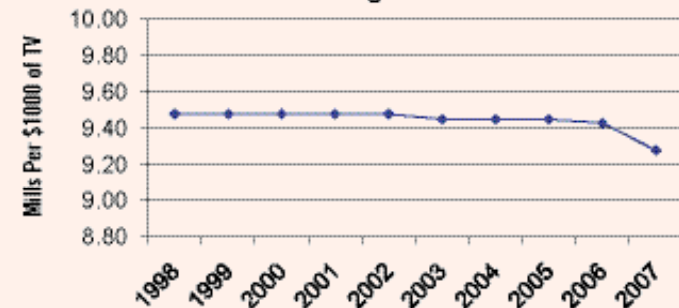


FIGURE 5

evaluating the city's financial condition

General Fund Revenues and Expenditures

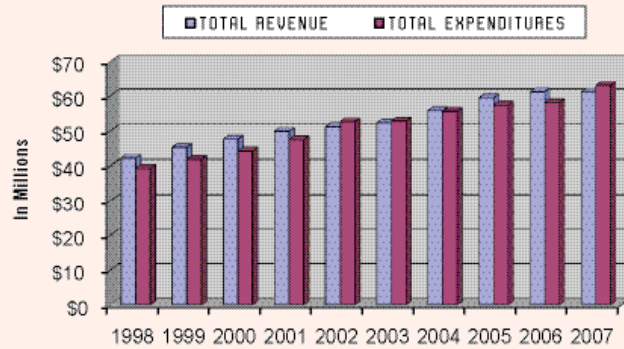


FIGURE 6

General Fund Tax Levy

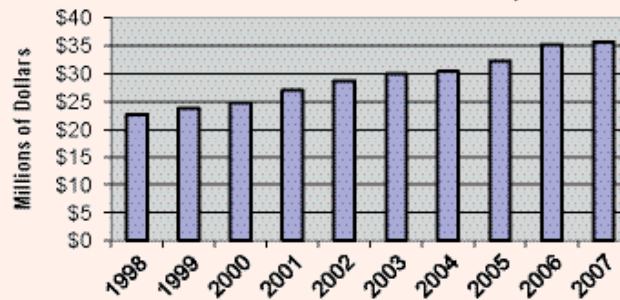


FIGURE 7

General Fund - Fund Balance

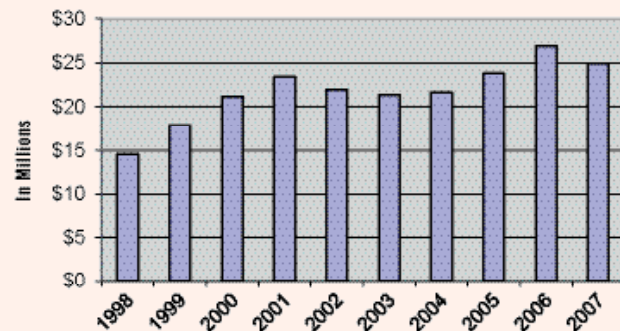


FIGURE 8

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. General Fund activities are financed by revenues from general property taxes, state shared revenues and other sources.

Figure 6 shows the total revenue and expenditures of this fund from 1998 to 2007. An indicator of financial strength and stability is a positive fund balance in the General Fund. Since 1998, the General Fund fund balance has grown from \$14.5 to \$24.9 million. In 2002, 2003 and 2007, the revenue shortfall was covered by the Fund Balance.

The financial community has recognized the City's solid, diversified tax base and sound management. All three major rating agencies (Fitch IBCA, Moody's and Standard & Poor's) gave the City an "AAA" rating for general obligation bonds. This makes Troy one of the three highest rated municipalities in Michigan. High bond ratings translate to savings for the City and its taxpayers.



Revenues and Expenditures (Millions)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Revenue	\$ 42.3	\$ 45.3	\$ 47.6	\$ 48.9	\$ 51.2	\$ 52.3	\$ 55.8	\$ 59.4	\$ 61.1	\$ 61.0
Total Expenditures	39.3	41.9	44.3	47.5	52.6	52.0	55.6	57.3	58.0	63.0
Excess (Shortfall)	3.0	3.4	3.3	2.4	(1.4)	(0.5)	0.2	2.1	3.1	(2.0)
Beginning Equity	11.5	14.5	17.9	21.2	23.4	22	21.5	21.7	23.8	26.9
Ending Equity	\$ 14.5	\$ 17.9	\$ 21.2	\$ 23.6	\$ 22.0	\$ 21.5	\$ 21.7	\$ 23.8	\$ 26.9	\$ 24.9
As a % of Revenue	34.28%	39.51%	44.54%	47.28%	42.97%	41.11%	39.74%	40.07%	44.03%	40.82%

FIGURE 9

The City of Troy collects funding from five major sources. Beyond property taxes, other revenues include licenses and permits, state shared revenue, charges for services, fines and forfeitures, investment income, miscellaneous receipts, and operating transfers. See Figure 11 for a breakdown of what percentage each element represents in the total revenue.

Property Taxes: \$35.7 Million

The City's total tax rate of \$9.43 includes the General Fund, Refuse Collection, Debt Service and Capital Projects activities. The City has .40 mills in available tax rate capacity for general and capital activities. The General Fund Tax Levy is \$6.50 mills of the 9.43 mills.

As indicated in Figure 10, the City's tax rate represents just 27% of the total property tax bill for all taxing jurisdictions. Those tax dollars represent approximately half of the City's total revenue as illustrated in Figure 11.

Licenses and Permits: \$1.5 Million

Are mainly made up of building permits and trade licenses and permits.

State-Shared Revenue: \$6.8 Million

This money is revenue from the State of Michigan - mainly in the form of a return on sales tax revenue.

Charges for Services: \$7.9 Million

Fees charged for services and sales.

Some examples of charges for services include Community Center Fees, cable franchise fees and county reimbursements.

Investment Income: \$1.5 Million

Generated from interest on investments.

Miscellaneous Revenue: \$1.4 Million

Generated primarily by administrative fees and rent income.



Where Does Your Tax Dollar Go?



FIGURE 10

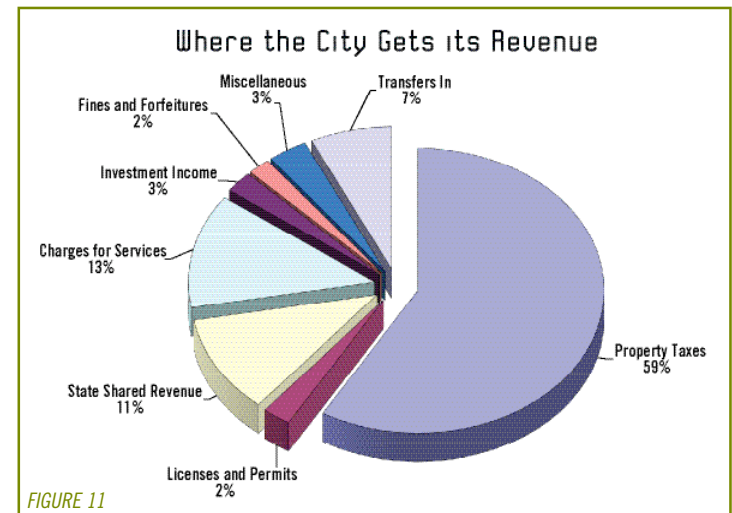


FIGURE 11



General Government: \$9.1 Million

The General Government group of expenditures is broken down into the following areas: City Council, City Manager, City Attorney, Assessing, City Clerk, Elections, Accounting, Human Resources, Purchasing, Treasurer, Community Affairs, Planning, Real Estate & Development, City Hall, and services.

Public Safety: \$30.0 Million

Police, fire protection and building inspection.

Public Works: \$7.4 Million

Maintenance costs for major, local and county roads. Costs associated with Engineering, and Storm Drain Maintenance.

Recreation & Culture: \$13.4 Million

Costs to provide recreation, library and museum activities.

Transfers Out: \$3.5 Million

Provide additional funding for budget stabilization and retiree healthcare trust funds.



General Fund Expenditures

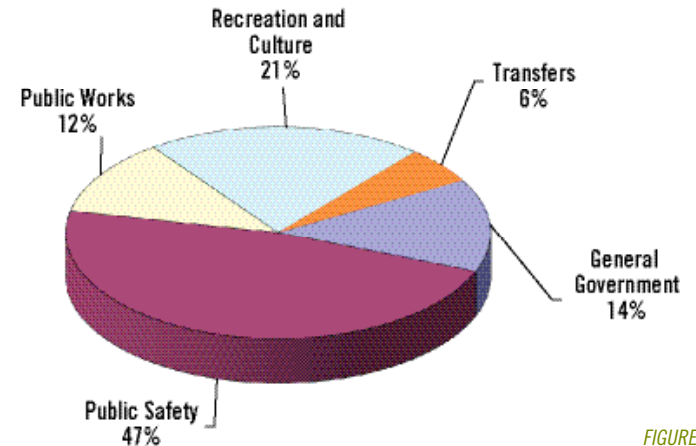


FIGURE 12

The General Fund major program activities are summarized in five areas: General Government, Public Safety, Public Works, Recreation & Culture, and Other Financing. See Figure 12 for a breakdown of their percentages of total expenditures.



capital expenditures

Other Funds Used to Manage City Dollars

In accordance with Generally Accepted Accounting Principles (GAAP), the City's financial activities are accounted for in a variety of funds other than the General Fund.

Special Revenue Funds such as the Downtown Development Authority, Major Street, Local Street, Refuse and Community Development Block Grant Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds account for the accumulation of resources for the annual payment of principal, interest and fees in connection with certain long-term debt other than debt payable from operations of a proprietary fund.

The Capital Projects Fund tracks financial resources for the acquisition or construction of major capital facilities other than those financed by the operations of a proprietary fund.

Enterprise Funds like Water, Sanitary Sewer, Aquatic Center and Golf Course Funds are used to account for operations that are similar to private business. Tracking the net income of Enterprise Funds helps evaluate programs and direct financial administration.

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments of the government on a cost reimbursement basis.

For more detailed information where the totals are represented by function, you should review the Comprehensive Annual Financial Report (CAFR). Both this summary and the CAFR are available at the Troy Public Library, 510 West Big Beaver, the City Clerk's Office in City Hall, 500 West Big Beaver and the City's website at www.troymi.gov. If necessary, call 248.524.1147 to request a copy.

Capital Expenditures

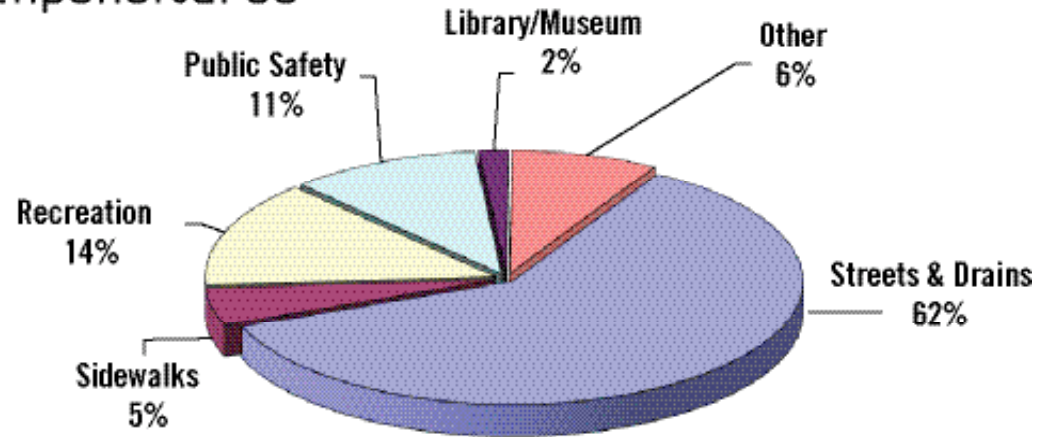


FIGURE 13 Capital expenditures are a disbursement of money that results in the acquisition of, or addition to fixed assets.

Streets & Drains: \$7.4 Million

Streets and Drains improvements consisted of major road improvements: \$4.7 million, local roads: \$2.2 million and drains: \$.5 million.

Recreation: \$1.7 Million

Park development projects: \$.5 million, and Ash tree removal: \$1.0 million.

Public Safety: \$1.3 Million

Expenditures related to communications and Fire Station improvements. The City has developed a plan to reserve funds over several years to accommodate for apparatus replacement due to the significant cost of fire fighting equipment.

Sidewalks: \$.6 Million

Expenditures for new and replacement sidewalk programs.

Other: \$1.0 Million

Expenditures included technology improvements and general building renovations.

Library/Museum: \$.2 Million

Expenditures were for the Historic Green improvement projects and Library general repairs.



getting more information

Community Affairs Department

Community Affairs offers new and prospective residents and businesses information packets. Call to request a packet or other information at 248.524.1147 or email cindy.stewart@troymi.gov

City of Troy website - www.troymi.gov

Internet access creates a 24-hour, 7-day-a-week service window for citizens seeking information about the City.

What's online at www.troymi.gov?

- The ability to check your property tax bill balance
- Current bid items posted by the Purchasing Department
- City job postings
- Community Calendar
- Webcast of Live Council Meetings
- City Council meeting agendas & minutes
- Building Permit Applications
- Business license application forms (City Clerk)
- Troy Today, Annual Budgets, Financial Summaries and other City publications
- News releases
- City Code and Charter
- Email access to City administrators

Comprehensive Annual Financial Report (CAFR)

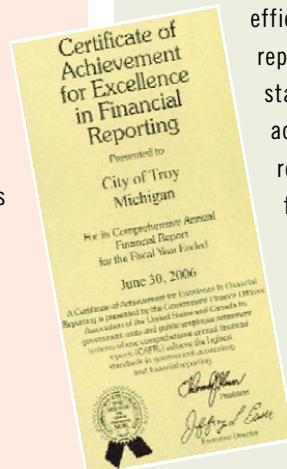
The Information in this document has been drawn from the City of Troy Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. Complete financial statements of the City of Troy with additional demographic and economic information are published in the CAFR.



The City was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its CAFR for the fiscal year ended 2006. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting our CAFR for the current year to the GFOA.

To request a copy of the CAFR, contact John M. Lamerato, Assistant City Manager/Finance & Administration by mail 500 West Big Beaver, Troy MI 48084; email lameratojm@troymi.gov; or phone 248.524.3330.



City Awards and Accolades

Safest City – In November 2006, Morgan Quitno Press released their 13th annual analysis of FBI Crime reports that places Troy as the safest city in Michigan and the 5th safest nationally out of 369 cities (populations over 75,000).

Troy was one of four local cities identified as top performers for attracting and retaining entrepreneurial firms in a study by the University of Michigan-Dearborn School of Management.

The Troy Public Library ranked second in Michigan for public libraries of all sizes based on nationally gathered statistics.

Excellence in Procurement – The Troy Purchasing Department received the 2007 Achievement of Excellence in Procurement Award by the National Purchasing Institute.

GFOA Financial Reporting Awards – For the 8th consecutive year, the City of Troy received all three of the International Government Finance Officers Association Awards for the City Budget Document, the Comprehensive Annual Financial Report and the City of Troy 2006 Financial Summary.

Troy has a **AAA bond rating** from Standard & Poor's, Fitch, IBCA and Moody's Investor Service.

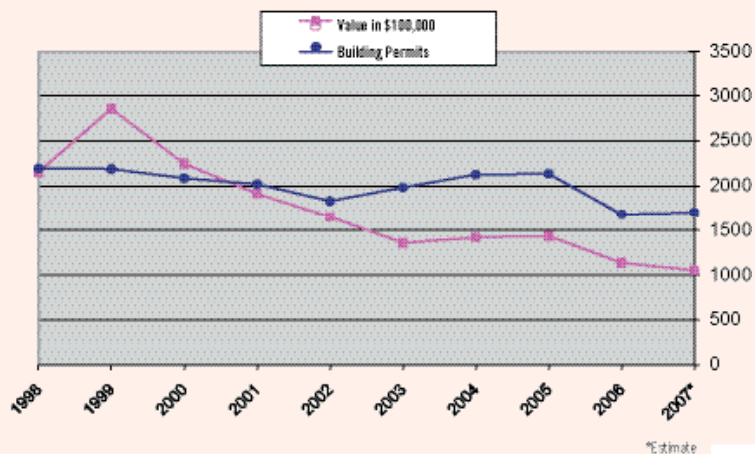
Life Safety Achievement Award – The Troy Fire Department has earned 11 Life Safety Achievement Awards, recognizing a continual effort of no fatalities in structure fires, in the past 11 years.

Outstanding Performance – Troy's Fleet Maintenance Division was named second best fleet in North America based on outstanding performance for fleet operations. They were also awarded the Blue Seal of Excellence through the Automotive Service Excellence Program, with 15 of the 17 Fleet Maintenance employees being ASE certified, several holding double master certifications in auto and medium/ heavy truck.

Outstanding Commitment – The American Red Cross recognized the City of Troy's Community Blood Drive and the Troy City Employees with two platinum awards of excellence for outstanding commitment to its blood donation program.

FIGURE 14

Building Permits and Construction Value

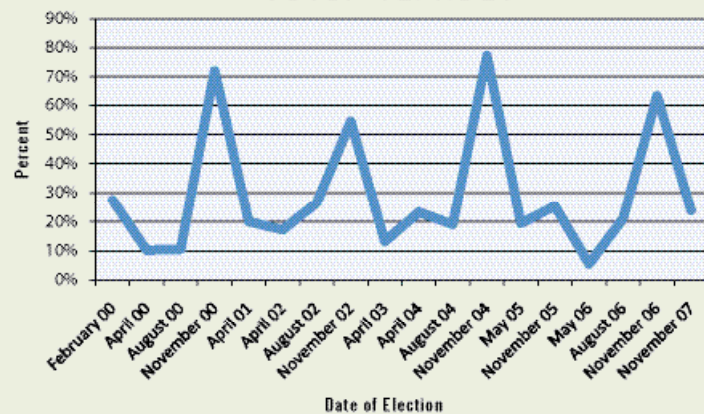


Troy's Building Department processes a wide range of construction permits each year. Despite some declines in total value of projects being built in Troy, the number of permits being pulled remains fairly high. This can be attributed to many smaller home and business improvement projects taking the place of major developments, as fewer parcels of land are available for large-scale projects.



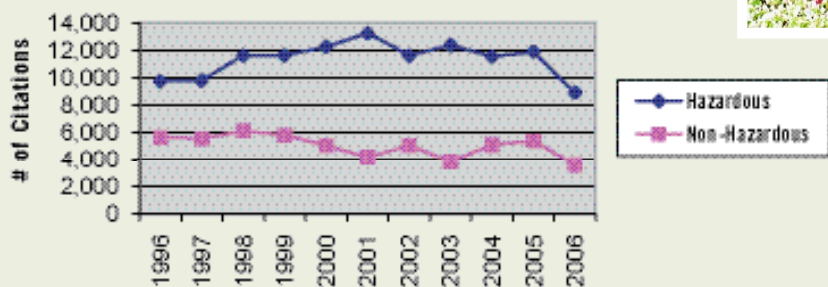
FIGURE 15

Voter Turnout



After 50 years of annual City Regular Elections being conducted in April, City Regular Elections were moved to odd-year Novembers in 2005. City Regular Elections in November have shown an increase in voter turnout.

Traffic Citations

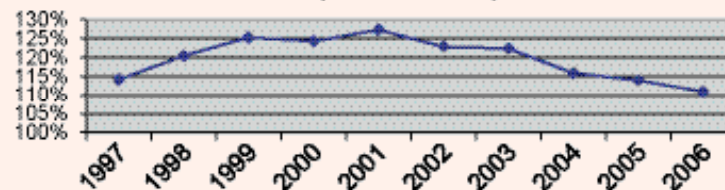


Above and beyond Troy's almost 88,000 residents, a large commuting population that travels our roadways puts a heavy responsibility on Troy Police Road Patrol.

Hazardous Citations are issued for violations that could cause an accident, like speeding. Non-hazardous traffic citations are for minor violations that break ordinances, but do not generally put property or person at risk of damage or injury, for example, out-of-date registration.

FIGURE 16

City of Troy Employees Retirement System Schedule of Funding Progress (Pension Benefit)



The above chart expresses the actuarial value of assets as a percentage of the actuarial accrued liability, which provides one indication of the system's funded status on an ongoing concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker.

FIGURE 17